



Duration of Comparative Advantage in European Union's Agri-Food Exports

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This paper investigates the duration of comparative advantage indices in European Union (EU-27) agri-food exports using the normalised revealed comparative advantage index on the global market during the 2000–2011 period. We employ both a descriptive analysis of the duration of comparative advantage, and examine the major drivers using discrete-time duration models with proper controls for unobserved heterogeneity. The robustness of the models is tested with alternative estimation procedures and sub-samples. Estimations show that the comparative advantages for most agri-food products survived for a certain number of years, but high percentage of them have a shorter duration. Larger trade costs decrease the probability of survival in comparative advantages, while the level of economic development, the size of the country, agri-food export diversification, and being a new EU member state increases it. Implications for EU-27 member states, global agri-food and regional development policies are suggested in the conclusion.

Keywords: normalised revealed comparative advantage, duration analysis, discrete time models, agri-food exports, European Union



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